BEFORE THE ARIZONA MEDICAL BOARD

In the Matter of

RACHEL M. SCHACHT, M.D.

Holder of License No. 30018
For the Practice of Medicine in the State of Arizona

Docket No. **04A-30018-MDX**

Case No. MD-03-0084A

FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER FOR REVOCATION OF LICENSE

On October 14, 2004 this matter came before the Arizona Medical Board ("Board") for oral argument and consideration of the Administrative Law Judge (ALJ) Brian Brendan Tully's proposed Findings of Fact and Conclusions of Law and Recommended Order. Rachel M. Schacht, M.D. ("Respondent") was notified of the Board's intent to consider this matter on the aforementioned date at the Board's public meeting. Respondent appeared personally and was represented by her attorney, Bradley J. Armstrong, Esq. The State was represented by Assistant Attorney General Stephen A. Wolf. Christine Cassetta, of the Solicitor General's Section of the Attorney General's Office, was present and available to provide independent legal advice to the Board.

The Board, having considered the ALJ's report and the entire record in this matter hereby issues the following Findings of Fact, Conclusion of Law and Order.

FINDINGS OF FACT

1. The Arizona Board of Medical Examiners ("Board") is the duly constituted authority for licensing and regulating the practice of allopathic medicine in the State of Arizona.

- 2. The Respondent, Rachel M. Schacht, M.D., is the holder of License No. 30018 for the practice of allopathic medicine in the State of Arizona. Her license was issued on January 25, 2002.
 - 3. Respondent's medical license is currently active with restrictions.
- 4. Until Respondent's license was restricted by Order dated March 3, 2003 issued by the Board's Executive Director, Respondent was working as a dermatologist in Tucson. She is board certified.
- 5. Pursuant to a Complaint and Notice of Hearing issued by the Board, this matter came before the Office of Administrative Hearings, an independent agency, for a hearing on the allegations of unprofessional conduct made by the Board against the Respondent.
- 6. Respondent earned her Doctor of Medicine degree from The Medical College of Pennsylvania on May 15, 1993.
- 7. Respondent did an internship in internal medicine at McGaw Medical Center of Northwestern University from June 23, 1993 to June 22, 1994.
- 8. Respondent did her residency in the Division of Dermatology Residency Program, Cook County Hospital, from July 1, 1994 to June 30, 1997.
- 9. Respondent was licensed in Illinois in 1995. She is still licensed in that state.
- 10. In December 2000, Respondent received outpatient treatment for alcoholism for a 28-day period at Hazelden Substance and Abuse Center ("Hazelden") in Center City, Minnesota.
- 11. From April to May of 2001, Respondent received outpatient treatment at Lutheran General Hospital Substance Abuse and Treatment Center in Chicago, Illinois. Respondent was treated for alcoholism.

- 12. From May 23, 2001 to June 23, 2001, Respondent received inpatient treatment at Hazelden for alcoholism.
- 13. From August 20, 2001 to October 20, 2001, Respondent received 3-month inpatient treatment for alcoholism at Rush Behavioral and Substance Abuse Treatment Center in Chicago, Illinois.
- 14. From October 25, 2001 to November 24, 2001, Respondent received inpatient treatment at Sierra Tucson Treatment Center ("Sierra Tucson") in Tucson, Arizona.
- 15. The Counselor Discharge Summary from Sierra Tucson stated two reasons for Respondent's admission to that facility. The first reason was Respondent's "[i]nability to remain abstinent from alcohol and nicotine." The stated goal of treatment was for Respondent to "[l]earn to live an abstinent lifestyle." The second reason was Respondent's "[s]igns and symptoms of bipolar disorder, AS EVIDENCED BY: Pattern of feeling sad with feelings of hopelessness." It was further noted that Respondent had "[d]ifficulty sleeping with periods of depression and irritability, patient describes wide mood swings, inability to discuss emotions."

16. Respondent's discharge diagnoses were:

AXIS I:

	(Suicidal ideation in remission at discharge)
	Alcohol dependency
	Nicotine dependency
	History of physical abuse as a child victim (biological
	brother)
	Dysthymia, early onset and chronic
	Status post eating disorder-bulimic type
AXIS II:	Self-defeating, antisocial, dependent and depressive
	features
AXIS III:	Cephalgia, migraine type
	Allergy to erythromycin

Major depression, recurrent, severe, with suicidal ideation, without suicidal plan and without psychosis.

Raynaud's phenomenon of the hands, bilateral (per

patient's report)

Status post fracture of the left calcaneus secondary to a motor vehicle accident

AXIS IV:

Severe secondary to physiological, developmental (Illinois medical board), family (recent divorce), interpersonal, vocational (recently unable to work secondary to her drinking), avocational and spiritual stressors

AXIS V:

Discharge GAF 55

- 17. Respondent was to "enter into intensive outpatient program (IOP), including IMDR on a PRN basis; [sic] individual therapy, couple's therapy and 12-step utilizing Alcoholics Anonymous, Codependents Anonymous and Emotions Anonymous." Her prognosis was guarded.
- 18. On December 10, 2001, the Board received Respondent's application for licensure.
- 19. Respondent answered "No" to question number 19 of the application, which reads: "Do you have or have you had within the last five years any medical condition that in any way impairs or limits your ability to safely practice any field of medicine?" The question further defined the term "medical condition", which included "physiological, mental or psychological conditions or disorders, such as, but not limited to…emotion or mental illness…and alcoholism."
- 20. Respondent failed to properly answer "Yes" to question number 19 by not advising the Board of her severe alcoholism.
- 21. Respondent answered "No" to question number 20 of the application, which reads: "Within the last five years, have you been diagnosed, treated or admitted to a hospital or other facility for the treatment of bi-polar disorder, schizophrenia, paranoia, or any psychotic disorder?"
- 22. Respondent failed to properly answer "Yes" to question number 20 of the application by not advising the Board that one of the reasons for her treatment at Sierra Tucson was that she showed signs and symptoms of bipolar disorder.

- 23. Respondent signed a sworn verification that the information contained in her application was true and correct. She also acknowledged the following: "I further acknowledge that falsification or misrepresentation of any item or response on this application is adequate to deny the same or to hold a hearing to revoke the same, if issued."
- 24. Michelle Semenjuk, the Board's Division Chief of Licensing, testified at the hearing that typically if a physician seeking licensure has a history of alcohol or substance abuse, the Board has the option to issue the physician a probationary license with stipulated rehabilitation terms, including the Board's Monitored Aftercare Program ("MAP"). Pursuant to A.R.S. § 32-1427, the Board may issue a probationary license to a physician if the physician's alcoholism or substance abuse calls into question their ability to safely engage in the practice of medicine, as required by A.R.S. § 32-1422(A)(3).
- 25. On or about September 16, 2002, Respondent was arrested for DUI by police officers responding to an alleged domestic disturbance involving her and her then boyfriend.
- 26. On December 12, 2002, the Board received Respondent's 2003 Biennial License Renewal Application. On that renewal form, Respondent failed to report her habitual intemperance and DUI arrest. That DUI charge was subsequently dismissed.
- 27. On or about January 13, 2003, Respondent had a telephone conversation with David Greenberg, M.D., who is an addictionologist for the Board along with his partner, Michel Sucher, M.D. Drs. Greenberg and Sucher are contractors who administer the MAP for the Board. Respondent acknowledged her chemical dependency.

- 28. By letter dated January 13, 2003, Respondent self-reported and acknowledged her habitual intemperance with alcohol to Dr. Greenberg.
- 29. Scott N. Sheftel, M.D. of Sheftel Associates Dermatology, LLP, wrote a "To Whom It May Concern" letter dated January 13, 2003. Dr. Sheftel, who was Respondent's employer at the time, wrote highly of her medical skills and judgment. He stated that "she understands her professional and social responsibility as well as the serious nature of her dependency."
- 30. Dr. Sheftel sincerely wrote that he would "support [Respondent's] recovery process as her employer and friend."
- 31. By letter dated January 13, 2003, Kathleen Muller, the MAP coordinator, advised Respondent that she and Dr. Greenberg wished to meet with her on January 17, 2003 regarding her chemical dependency self-report.
- 32. By letter dated January 16, 2003, Dr. Greenberg also invited Respondent to the MAP diversion committee meeting on January 29, 2003. He explained that the purpose of this interview was "to discuss your treatment for substance abuse, the status of your recovery, and your participating in the Board's Monitored Aftercare Program."
- 33. On January 17, 2003, an investigational interview was conducted with Respondent, Dr. Greenberg, Ms. Muller and Lynda Mottram, also from the MAP, present. Although Respondent was represented at the time by Edward M. Gaines, Jr., Esq., she elected to appear without counsel.
- 34. By letter dated January 23, 2003, Marla A. Reckert, M.D. a board certified psychiatrist, advised the MAP diversion committee that Respondent had been a patent since September 23, 2002.
- 35. Dr. Reckart diagnosed Respondent as "Major Depression, single episode, alcohol dependence and Panic Disorder." She prescribed "Paxil CR 12.5"

mg po q.h.s., Antabuse 250 mg po one to two per day and Xanax 0.5 mg po one to two per day p.r.n."

- 36. Dr. Reckart also advised the committee that Respondent had been followed up by her for medication management and by Dr. David Eigenbaum for counseling.
- 37. By letter dated January 24, 2003, David Feigenbaum, MS, ACSW, CISW, wrote to the Board advising that Respondent was receiving individual psychotherapy and chemical dependence treatment from him since August 2002. He wrote that Respondent "has been faithful to her sobriety and personal growth since coming into therapy."
- 38. By letter dated January 31, 2003, Ronald Palmer, the Board's enforcement administrator, advised Respondent that the Board had initiated an investigation "regarding [Respondent's] alcohol use, failing to report problem to the Board and providing false information on [Respondent's] applications for licensing." Respondent was required to submit a narrative statement with supporting documentation to Board staff no later than February 18, 2003.
- 39. By letter dated February 4, 2003, Edwin M. Gaines, Jr., Esq., advised Mr. Palmer that he was representing Respondent in this matter and requested a copy of Respondent's application for licensure.
- 40. On February 10, 2003, the Board, through its Executive Director, issued an Interim Order (For Inpatient Treatment) in Case No. MD-03-0084. The Interim Order required that Respondent undergo an inpatient evaluation at Sierra Tucson, at her sole cost and expense, within 14 days of receipt of the Interim Order.
- 41. By letter dated February 11, 2003, Lynda Mottram, senior compliance officer of the MAP, advised Dr. Fritz at Sierra Tucson of the Board's Interim Order for

Respondent was admitted to the Assessment and Diagnostic Program at Sierra Tucson on February 15, 2003 and discharged on February 19, 2003. Members of Respondent's assessment team were: David Anderson, Ph.D., licensed psychologist and team leader; Steve Galper, M.D., psychiatrist; Vicki Gannon, specialty counselor; Jane Hodgson, MC, CRS, medical assistant and stabilization counselor; Lou LaFond, PA, physician assistant; Saul Perea, M.D., staff physician; Michael Scott, M.D., psychiatrist and Sierra Tucson medical director; and Elizabeth Respondent's Psychiatric Evaluation performed by Dr. Galper contains Anxiety disorder NOS versus generalized anxiety Alcohol dependence, in remission Moderate stressors – professional, recent relationship termination, legal regarding medical license, social Dr. Galpers plan for clinical treatment mentioned, among other things, that Respondent "will be evaluated for bipolar affective disorder."

1	
2	
3	
4	
5	
6	
7	
8	
9	
10	
11	
12	
13	
14	
15	
16	
17	
18	
19	
20	
21	
22	
23	

25

Panic disorder, without agoraphobia

AXIS II: Dependent, self-defeating personality traits

AXIS III: Raynaud's disease
History of headaches

History of fractured right ankle

Moderate stressors (relationships, career)

AXIS V: GAF 65

AXIS IV:

- 46. In its treatment recommendations, the Assessment Team opined that Respondent was not an appropriate candidate for an inpatient program. It was recommended that Respondent continue to be treated by Dr. Reckart and Mr. Feigenbaum and be monitored by the Board's diversionary program.
- 47. On February 25, 2003, Respondent reported that she relapsed in the use of alcohol on Sunday, February 23, 2003.
- 48. On February 23, 2003, Respondent drove her SUV westbound in an eastbound lane of traffic on Skyline in Tucson. Respondent drove through a red light and ran into at least one vehicle traveling eastbound off the roadway into the center median. While continuing in the wrong direction at a high rate of speed, she hit another vehicle head-on. She and that driver went to the hospital. A third car was also involved in the accident. Respondent's BMW SUV was totaled.
- 49. At the hospital local police officers obtained a blood draw from Respondent. Respondent's BAC was tested at 0.282. Respondent was cited for DUI, among other charges. That DUI charge is pending.
- 50. On or about February 25, 2003, Respondent wrote a letter to Mr. palmer in response to his January 31, 2003 letter to her. Respondent acknowledged that she is an alcoholic. She admitted that she should have self-reported sooner. As to her initial application for licensure, Respondent made the following statement:

In reviewing my initial application for licensure in December, 2001, I was not rigorously honest. A reading of the definition of "Medical Condition" with respect to

Question 18 [sic] shows that it includes alcoholism. I should have answered "Yes" and I did not. As I am sure you are aware, denial is a large part of this disease. This is not offered as an excuse, but an explanation. In my mind, I rationalized that since I was not drinking while treating patients I could answer this question "No." I recognize this was a mistake.

- 51. As a result of Respondent's relapse, David E. Anderson, Ph.D., wrote a letter dated February 26, 2003, to Respondent. Dr. Anderson advised her that the Assessment Diagnostic Program at Sierra Tucson amended its prior report as follows due to her recent relapse:
 - 1. our insistence that you candidly report all details regarding the relapse to the Arizona Board of Medicine [sic].
 - 2. our strong recommendation that you immediately refrain from the practice of medicine, and
 - 3. our expectation that you will immediately self-admit to a long-term, intensive, in-patient treatment program for substance dependency.
- 52. As a result of Respondent's relapse, the Board and Respondent entered into an Interim Consent Agreement for Practice Restriction and Inpatient or Residential Treatment in Case MD-03-0084 ("Consent Agreement"), the terms of which are incorporated herein by reference.
- Director, issued an Order dated March 3, 2003. That Order, among other things, restricted Respondent from practicing clinical medicine or any medicine involving direct patient care. Respondent was prohibited from prescribing any form of treatment, including prescription medications, until otherwise ordered by the Board. Further, Respondent was ordered to enter an inpatient or residential treatment program approved by Board staff. This Order is still in effect at this time.

- 54. Respondent was admitted to the Betty Ford Center on March 7, 2003 for the treatment of alcohol dependence. She was discharged on April 10, 2003.
- 55. During her treatment process at Betty Ford Center, Respondent relapsed on alcohol during late March and again in April. Because of those relapses, the Betty Ford Center Assessment Team recommended Respondent "engage in treatment at a higher level of care for the treatment of her chemical dependency and psychiatric disorders." The Assessment Team referred Respondent to Alhambra Hospital for additional psychiatric stabilization.
 - 56. Respondent's final diagnoses at the Betty Ford Center were:

AXIS I:

303.90 - Alcohol dependence.

305.1 - Nicotine dependence.

300.01 – Panic disorder without agoraphobia.

300.02 - Generalized anxiety disorder.

AXIS II:

Dependent personality features.

AXIS III:

Migraine headaches.

S/P liver laceration 03/23/2003. S/P right ankle fracture 09/00.

History of low back pain.

History of right ovarian cyst CT scan.

History of gall stones by CT scan.

Raynaud's disease.

AXIS IV:

Severe; relationship difficulties, licensure difficulties,

financial stressors, occupational stressors.

AXIS V:

Acute GAF 50, enduring unknown estimated at 65-70.

- 57. On or about April 10, 2003, staff at Betty Ford Center notified Board staff that Respondent was going to be transported by ambulance to Alhambra Hospital in California.
- 58. On or about April 18, 2003, Respondent informed Board staff that she was being discharged from Alhambra Hospital and that she was going to be admitted to Ridgeway Institute in Georgia.
- 59. While traveling from California to Georgia by airplane, Respondent relapsed by consuming alcohol.

- 60. Respondent was admitted to Ridgeview Institute on April 20, 2003. At Ridgeview Institute's Access Center, staff administered a breathalyzer to Respondent, which measured her BAC as 0.117.
 - 61. She was discharged from that facility on June 10, 2003.
- 62. Respondent's initial diagnoses upon admission to Ridgeview Institute were the following:

AXIS I:

Alcohol dependence.

Anxiety disorder, Not otherwise specified.

Depression, Not otherwise specified.

AXIS II:

Deferred.

AXIS III:

History of migraine headaches.

Peptic ulcer, in remission.

Facial acne.

AXIS IV:

Stressors related to the difficulties in her previous marriage and the dissolution of that marriage; the difficulties in her latter [sic] relationship with a boyfriend who was "abusive"; as well as the adverse consequences of her alcoholism, including the serious traffic accident, the suspension of her license, and the

loss of her employment.

AXIS V:

GAF: 45.

- 63. Respondent was initially admitted to the facility's Cottage C for observation. Respondent did not exhibit any acute withdrawal. Therefore, she was then "transitioned to the RRC and halfway house in the Professional's Tract."
- 64. On or about June 9, 2003, Ridgeview Institute staff learned that Respondent had become involved in a relationship with a male peer, in violation of the facility's rules. When confronted by members of the treatment team, Respondent at first denied any physical relationship with the peer. Eventually she did admit that the relationship was more than platonic.
- 65. Respondent's off-campus roommate advised staff that Respondent had possessed a bottle of vodka, which was found empty in her residence. When

confronted about this by Bruce Hoffman, M.D. on June 20, 2003, Respondent stated that she had purchased the vodka but poured it out instead of drinking it because she was taking Antabuse.

- 66. Later that day Dr. Hoffman asked Respondent about a wine bottle cork found in her room. Respondent admitted that she had also purchased a bottle of wine before purchasing the vodka, but disposed of it rather than consumed it.
- 67. Notwithstanding the discovered wine cork and empty vodka bottle, Respondent continued to deny any relapse on alcohol.
- 68. Respondent's roommate further advised staff that Respondent had made a statement "something to the effect that there was no point in going on." Staff was concerned about whether such a statement represented a suicidal ideation.
- 69. Respondent was admitted to the facility's Adult Addiction Medicine Service in Cottage C for inpatient monitoring.
- 70. On or about June 18, 2003, Respondent stated to staff she wanted to return to the day program and halfway house. However, that program would not permit her to return. Staff's recommendation was that Respondent should receive gender specific treatment.
- 71. On or about June 19, 2003, Respondent was seen by Dr. Earley. He encouraged Respondent to complete her treatment at a gender specified program. He felt that the acute risk of suicide had passed.
- 72. On or about June 19, 2003, Respondent informed Board staff that she had been asked to leave Ridgeview Institute for violating its rules by having an intimate relationship with another patient. Respondent sought approval for an outpatient program at La Frontera in Tucson. Dr. Greenberg stated that outpatient treatment was not acceptable.

- 73. On or about June 20, 2003, Dr. Hoffman met with the Treatment Team. It was agreed that the acute risk of suicide had passed and that Respondent had maximized benefits. Respondent stated that she wanted to return home to Tucson and to continue treatment at La Frontera.
 - 74. Ridgeview Institute's final diagnoses for Respondent were:

AXIS I: Adjustment disorder with mixed features, resolved.

Alcohol dependence.

Depression.

Posttraumatic stress disorder.

History of bulimia, in remission.

AXIS II: Personality disorder, with dependent and other

features.

AXIS III: History of migraine headache syndrome.

Facial acne.

Dental abscess.

History of peptic ulcer disease, in remission.

AXIS IV: Stressors related to sexual assault at age 18; the

difficulties of and dissolution of her previous marriage; relationship difficulties; the suspension of her license and loss of employment; and other adverse

consequences related to her alcohol dependence.

AXIS V: GAF 53.

- 75. The discharge summary lists Respondent's prognosis as guarded.
- 76. Respondent returned to Tucson for outpatient treatment at La Frontera. That facility is not experienced in the treatment of health care professionals. Respondent has received treatment at that facility due to her economic downturn.
- 77. Since the issuance of the Interim Order restricting Respondent's license, she has been unemployed. Respondent testified that she has filed bankruptcy and is unable to afford any other type of treatment.
- 78. Respondent has not received random drug screens as part of her treatment since leaving Ridgeview Institute.
 - 79. Respondent does not have a sobriety date.

- 80. Respondent does not maintain a medication log, although she testified that she had done so in the past.
- 81. Respondent has a history of blackouts. At approximately age 18, Respondent consumed a large quantity of alcohol at a fraternity party. She experienced a blackout during the party and was raped by one individual. A male friend intervened and prevented further sexual assaults upon her by others. There is also evidence that Respondent experienced a blackout during her recent automobile accident after consuming large quantities of alcohol.
- 82. Respondent failed to comply with the Interim Consent Agreement for Practice Restriction and Inpatient or Residential Treatment and Order.
- 83. Despite numerous treatments for both her alcoholism and psychiatric disorders, Respondent has failed to benefit from those treatments. Respondent estimated that she has attempted to recover 14 different times.
 - 84. Respondent is habitually intemperate in the use of alcohol.
- 85. Respondent's habitual intemperate use of alcohol is a threat to the public health and safety. Respondent needs successful inpatient treatment and permanent abstinence from the use of alcohol in order to reduce or eliminate that risk.

CONCLUSIONS OF LAW

- 1. The Board possesses jurisdiction over the subject matter and over Respondent pursuant to A.R.S. § 32-1401 *et seq.*
- 2. The conduct and circumstances described in the above Findings of Fact constitute unprofessional conduct by Respondent pursuant to A.R.S. § 32-1401(24)(f) (habitual intemperance in the use of alcohol or habitual substance abuse).

- 3. The conduct and circumstances described in the above Findings of Fact constitute unprofessional conduct by Respondent pursuant to A.R.S. § 32-1401(24)(r) (violating a formal order, probation, consent agreement or stipulation issued or entered into by the board or its executive director).
- 4. The conduct and circumstances described in the above Findings of Fact constitute unprofessional conduct by Respondent pursuant to A.R.S. § 32-1401(24)(aa) (procuring or attempting to procure a license to practice medicine or a license renewal by fraud, by misrepresentation or by knowingly taking advantage of the mistake of another person or an agency).
- 5. The conduct and circumstances described in the above Findings of Fact constitute unprofessional conduct by Respondent pursuant to A.R.S. § 32-1401(24)(jj) (knowingly making a false or misleading statement to the board or on a form required by the board or in a written correspondence, including attachments, with the board).
- 6. The Board may impose disciplinary action against Respondent for the above acts of unprofessional conduct, pursuant to A.R.S. § 32-1451(M), for the protection of the public health and safety.

FINDING OF IMMEDIATE EFFECTIVENESS

It is necessary for this Order to take immediate effect to protect the public health and safety. R4-16-102(B).

<u>ORDER</u>

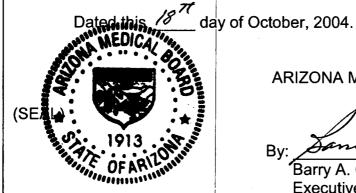
Based upon the Findings of Fact and Conclusions of Law as adopted, the Board hereby enters the following Order:

That Respondent, Rachel M. Schacht's License No. 30018 for the practice of allopathic medicine in the State of Arizona is hereby revoked, effective immediately.

Respondent shall not submit a license application less than five years after the date of revocation.

RIGHT TO APPEAL TO SUPERIOR COURT

Respondent is hereby notified that this Order is the final administrative decision of the Board and that Respondent has exhausted her administrative remedies. Respondent is advised that an appeal to Superior Court in Maricopa County may be taken from this decision pursuant to Title 12, Chapter 7, Article 6.



ARIZONA MEDICAL BOARD

Barry A. Cassidy, Ph.D., P.A.-C Executive Director

Original of the foregoing filed this day of October, 2004, with:

Arizona Medical Board 9545 East Doubletree Ranch Road Scottsdale, AZ 85258

Copy of the foregoing filed this day of October, 2004, with:

Cliff J. Vanell, Director
Office of Administrative Hearings
1400 W. Washington, Ste. 101
Phoenix, AZ 85007

Executed copy of the foregoing mailed by Certified Mail this _____ day of October, 2004, to:

Bradley J. Armstrong, Esq. The Armstrong Law Office 2807 E 22nd St Tucson AZ 85713-2009

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

Rachel M. Schacht, M.D. (address of record)	
Executed copy of the foregointhis / May of October, 20	ng mailed 04, to:
Dean E. Brekke Assistant Attorney General Office of the Attorney General CIV/LES 1275 W. Washington	al